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August 4, 2006

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Mr. Mike Patten
Roshka, DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Ms. Cindy Liles Global Water Management 21410 North 19th Avenue, Suite 201 Phoenix, Arizona 85027 Arizona Corporation Commission
DOCKETED

AUG -4 2006

RE: CAVE CREEK WATER COMPANY - APPLICATION FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND NECESSITY. DOCKET NO. W-01452A-06-0449

INSUFFICIENCY LETTER

Dear Mr. Patten and Ms. Liles:

The application of Cave Creek Water Company ("the Company") for an extension of its Certificate of Convenience and Necessity, Docket No. W-01452A-06-0449, has not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C."). Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

To correct the deficiencies, please provide the following information:

- 1. A Water Use Data Sheet for the most recent 12 months available.
- 2. The estimated total cost to construct facilities to serve the extension areas.
- 3. A description of planned facilities to serve the extension areas and the schedule for construction.

Also, please keep Staff informed about the Company's progress in obtaining documentation from the Land Department showing either support, consent or non-objection to Cave Creek Water Co.'s CC&N extension into areas under the Land Department's control.

Mr. Mike Patten Ms. Cindy Liles August 4, 2006 Page 2

Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency. Pursuant to the A.A.C. R14-2-411(C) for water and R14-2-610(C) for wastewater, the Commission has 150 calendar days to approve or reject this application after it is deemed sufficient. This time period would encompass a hearing, a Recommended Opinion and Order and a Decision from the Commission.

If you have any questions please contact me at 602-542-0859 or Marlin Scott at 602-542-7272.

Yours truly,

Lude A. Janess

Executive Consultant III

LAJ:mfm

cc:

Docket Control

Del Smith, Engineering Supervisor Brian Bozzo, Compliance Manager

Lyn Farmer, Chief Administrative Law Judge